

BACKGROUND OF THE GUAM A76 PROJECT

The Pacific Division, Naval Facilities Engineering Command conducted the A-76 cost comparison study for Base Operating Support (BOS) services to support Various Activities, U.S. Territory of Guam on behalf of Commander, Naval Forces Marianas. This A-76 cost comparison study was conducted in accordance with the procedures prescribed in Office of Management and Budget Circular No. A-76, the "Commercial Activities" (CA) program. This A-76 cost comparison study examined the possibility of converting Government "in-house" operations to contractor operations.

The study was announced in July 1997. The announcement to Congress included services provided by a mixed force of approximately 2,300 military personnel and Government employees.



The BOS services under study included the management and administration of services performed in 15 functional areas: Administrative Services; Contingency Preparedness; Engineering & MRP Management



Services; Buildings and Structures Maintenance/Repair; Transportation Services; Environmental Services; Steam and Demineralized Water Services; Electrical Services; Potable Water Services; Wastewater Services; Housing Operations & Maintenance; Food Services; Family Services Center; Morale, Welfare, & Recreation Services; Supply Services; Ordnance Services and Waterfront Operations. These functional areas describe nearly all of the non-core mission support functions for the Navy on Guam.

The solicitation that was issued for this project was unique in that it included an "Outcome Oriented Specification" (OOS). The OOS described the general end results desired, as opposed to the specific actions required to deliver those results. The OOS instructed the proposers of the "outcomes" desired, and not the services to provide or a required methodology to pursue those outcomes.

The outcome oriented contracting approach places additional burdens upon any proposer however, the approach offers maximum flexibility for proposer (contractor and Government) innovation. Proposers were asked to start from scratch and build the services and operations that they would provide to fulfill the Government's outcomes. The proposers determined the details of what they would do and the methodology that they would use to meet the stated outcomes without the constraints of the historically prescriptive specifications. The open architecture of the OOS was definitized by the proposer's method of operations.

The proposers were invited to provide innovative methodologies based on industry's/government's best practices and experience. The PWS specified services that were mandatory for the contractor to provide, if driven by mission criticality, excessive risk, statute or life safety. The rest of the services to be provided were left to the proposer's innovation and experience in the field, to devise a plan to meet the Government's desired outcomes. This concept is essentially a design-build process for services.



The solicitation/contract was structured as a combination Firm Fixed-Price (FFP), Time and Materials (T&M) and Indefinite Quantity (IQ) type contract with Award Fee provisions.

Raytheon Technical Services Guam won the cost comparison competition with the Government in-house workforce by \$253 million over the seven and one-half year contract life.

The contract has a total estimated value of \$329 million over the seven and one-half year period. Raytheon Technical Services Guam began mobilization and phase-in effort in February 2000 and will commence full contract performance in April 2000.



